

The Consolidated 1999 Annual Report of Check Cashing Businesses shows that 201 responded to the Commissioner's request for data. There were 220 check cashing licensees in business at year end; however, seventeen licensees ceased operations without filing a report. One licensee never commenced operations, and revocation proceedings have begun against the remaining licensee who failed to report. The 201 respondents operated 1,017 locations in 1999. Of the 201 licensed check cashers reporting, 59 licensees engaged in regular check cashing only; the remaining 142 reporting licensees engaged in payday lending transactions. Of these 142 payday lenders, 55 did delayed deposit transactions only; they did not offer regular check cashing services. Information derived from this 1999 data is shown below in tabular form.

Table III (A) shows the size distribution of delayed deposit check cashing transactions for 1999. It shows that 66.99% of the total transactions were for an amount at or near the \$300 maximum face amount.

Table III (A) Size Distribution

Face Amount of the Check	Number of Delayed Deposit Transactions*	Percentage of Total
\$100 or less	243,853	8.38%
\$101 to 200	716,955	24.63%
\$201 to 300	1,949,558	66.99%
Total	2,910,366	100%
*Note: The figures in this table are compiled from reports submitted by 1999 licensees and are unaudited by the Commissioner of Banks.		

Table III (B) shows the term of these transactions, or the number of days between the day the cash advance is made and the day the customer's check is deposited. The data shows that while our statute contemplated a 31 day term for these loans, 72.79% of the loans are for 14 days or less. As a result, the borrower pays a 15% fee for a loan whether it is for 31 days or for 14 or fewer days. The effect of the term on the customer's annual percentage rate, or "APR," is demonstrated in the final column Table III (B).

Table III (B) Term Distribution, with APR

Term (days)	Number of Delayed Deposit Transactions*	Percentage of Total	APR range
1 to 7	285,958	9.83%	6441.18%---920.17%
8 to 14	1,832,462	62.96%	805.15%---460.08%
15 to 21	582,370	20.01%	429.41%---306.72%
22 to 28	87,097	2.99%	292.78%---230.04%
29 or more	122,479	4.21%	222.11%---207.78% (at 31days)
Total	2,910,366	100%	
Notes: 1) APR Calculation Method: (Fee Amount / Cash Advance) X (365 / Term in Days) X 100 = APR 2) Maximum fee is assumed (15% of the face amount of the check).			
*Note: The figures in this table are compiled from reports submitted by 1999 licensees and are unaudited by the Commissioner of Banks.			

When the term of the loan is shortened but the fee remains the same, the APR (which is the effective cost of the loan) goes up. The APR for a given term is shown in Table III (C) below. The APR figures shown in Table III